DOCUMENT RESUME

ED 309 877 PS 018 228

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TITLE Evaluation of Transitional Financial Assistance for Child Care Services for JTPA/PIC Recipients.
PUB DATE 89
NOTE 16p.
PUB TYPE Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Day Care; Early Childhood Education; *Employed Women; *Financial Support; *Mothers; Program Effectiveness; Program Evaluation; *Training Allowances; *Transitional Programs

ABSTRACT

A total of 195 clients of the Community Coordinated Child Care (4-C) Private Industry Council's (PIC) transitional child care assistance program were interviewed in an effort to evaluate the effectiveness of the program. The program was designed to allow participants the opportunity to succeed on the job and to continue to receive help in paying for child care. Information on the demographics of recipients and their families, length of training programs, wages, work schedules, and other variables was obtained. Findings indicated that the most successful clients tended to have participated in longer training programs, have fewer but younger children, be married, have worked more than 30 hours per week, and have earned more than $4.00 per hour. Those least successful were more likely to have received Aid for Families with Dependent Children (AFDC) when beginning their training programs. It was concluded that: (1) the program should be continued and studied further; (2) PIC participants with children needed careful counseling about wages and work schedules before accepting their first position after a training program; (3) intense case management of clients receiving AFDC would help enhance success rates; (4) the relationship between length of training programs and ultimate self-sufficiency warranted further examination; and (5) the study had particular significance for welfare reform. (Author/RH)

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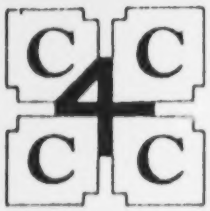

Community Coordinated Child Care

ED309877

EVALUATION OF TRANSITIONAL FINANCIAL ASSISTANCE FOR CHILD CARE SERVICES FOR JTPA/PIC RECIPIENTS

A REPORT PREPARED FOR THE
LOUISVILLE AND JEFFERSON COUNTY
PRIVATE INDUSTRY COUNCIL

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ABSTRACT

Community Coordinated Child Care (4-C) of Louisville and Jefferson County, Kentucky manages a Child Care Services Program with funds from the Job Training Partnership Act (JTPA), administered by the Kentucky Cabinet for Human Resources through the Private Industry Council (PIC). The 4-C/PIC Child Care Services Program assists job-training participants in identifying appropriate child care and provides financial assistance for those arrangements during their training. A recent pilot program offered "transitional child care financial assistance" on a gradually decreasing scale for up to 26 weeks after a trainee entered employment. It was initiated to allow participants the opportunity for success on the job while still receiving help in paying the high costs of child care.

To evaluate the effectiveness of the new program, 195 PIC clients who utilized the services were interviewed. Information was obtained on the basic demographics of recipients and their families, length of training programs, wages, work schedules, and other variables. The most successful clients (those receiving the assistance the longest and therefore remaining on the job) tended to have participated in longer training programs, had fewer but younger children, were married, worked more than 30 hours per week, and earned more than $4.00 per hour. Those least successful (dropping from the program during the first 8 weeks and before any increases in their personal child care payments) were more likely recipients of Aid for Families with Dependent Children (AFDC) when beginning their training programs.

The following conclusions are made concerning the 4-C/PIC transtional child care assistance program. 1) The program should continue along with further study. 2) PIC participants with children need careful counseling about wages and work schedules prior to accepting their first position after a training program. 3) Clients receiving AFDC need intense case management services to help enhance success rates. 4) The relationship between length of training programs and ultimate self-sufficiency warrants further examination.

The study has particular significance to Welfare Reform.

EVALUATION OF TRANSITIONAL FINANCIAL ASSISTANCE FOR CHILD CARE SERVICES FOR JTPA/PIC RECIPIENTS

INTRODUCTION

A Child Care Services Program (CCSP) is operated by Community Coordinated Child Care (4-C) with funds from the Job Training Partnership Act (JTPA), administered by the Kentucky Cabinet for Human Resources through the Louisville and Jefferson County, Kentucky Private Industry Council (PIC). The 4-C/PIC Child Care Services Program assists job-training participants in identifying appropriate child care arrangements and provides financial assistance in paying for those arrangements. The ultimate goal is to enhance the chances of participants completing their training, obtaining a job, and becoming independent of any further governmental subsistence.

The specific child care needs of participants are assessed and appropriate referrals made to licensed child care centers and homes in the area. The final selection of a child care site is the choice of the parent/participant. Vouchers for child care services are provided through a needs-based payment system for up to a maximum of $50 per week, per child. The initial length of the child care assistance is determined by the length of the PIC training program.

In November, 1987, the Louisville/Jefferson County PIC Council approved a new component to the Child Care Services Program which offers "transitional child care financial assistance" for PIC participants. The new system extends the allowance for child care payments on a gradually decreasing scale for up to 26 weeks after a trainee enters employment. It

was introduced to give parents the opportunity for success on the job while still receiving help in paying the high costs of child care. Thus, ultimate financial independence would be enhanced.

The purpose of this paper is to report on an evaluation of the transitional child care financial assistance. Recommendations for further study and changes in the new program are made.

BACKGROUND INFORMATION

Costs of Child Care

The transitional child care financial assistance component was introduced to the Child Care Service Program because PIC participants are often overwhelmed by the cost of child care once they are actually on the job and paying the full costs for child care. The average costs for child care in the Louisville area is approximately $50.00 per week, per child or $2,600 annually for one child and $5,200 for two children. The costs of child care for low-income families can be as high as 30% of their take-home pay (Winget, 1982). A recent University of Kentucky report (Zoe & Kelly, 1988) showed that a single mother of two preschool children needs to earn more than $9.00 an hour at a full-time job in order to pay for child care and support the family. PIC participants facing these realities are often discouraged and quit their jobs.

How the Transitional Child Care Works

All PIC participants pay a minimum of $1.00 per week, per child for child care during their training phase. With the transitional child care

financial assistance component this minimum fee is gradually increased over four specific time frames after the client is on the job.

Weeks	Fees
1st - 8th	$ 1.00-$10.00 (depending on income)
9th - 16th	15.00
17th - 24th	25.00
25th - 26th	35.00

After the 26th week, the parent assumes full responsibility for all payments.

The transitional child care financial assistance allows participants time on the job, thus increasing experience and the likelihood of advancement. Some companies increase benefits after a trial period which further enhances the success of participants. The chances of parents being able to afford the full costs of child care are, therefore, much greater at the end of 26 weeks than at initial employment.

Need for Study

In order to fully understand the impact of the transitional child care on the success of PIC participants with children, the project needs careful evaluation and study. The basic demographics of recipients and their families, length of training programs, wages, work schedules, and other variables should be investigated. The program could then be altered and strengthened based on the results. In addition, such a study offers valuable information to other Private Industry Councils throughout the nation. The new Welfare Reform program has transtional child care financial assistance associated with its mandated training component. A study of the 4-C/PIC program provides knowledge on implementation of this similar endeavor.

METHOD

Questionnaire

A questionnaire was developed and administered to all PIC participants who obtained jobs and utilized the Child Care Services Program. Contacts with the clients were made during the period from November 1987 to January 1989. Interviews were conducted either over the phone or face to face. In some cases the questionnaires were mailed. The survey consisted of sixteen questions relating to basic demographic information, length of training, work schedule, wages during employment, status relevant to Aid For Families with Dependent Children (AFDC) prior to entering their PIC training phase, and general satisfaction with the program. For clients no longer utilizing the program, the reason for discontinuing the service was obtained. Additional information was also gathered from the participants' files.

Data Analysis

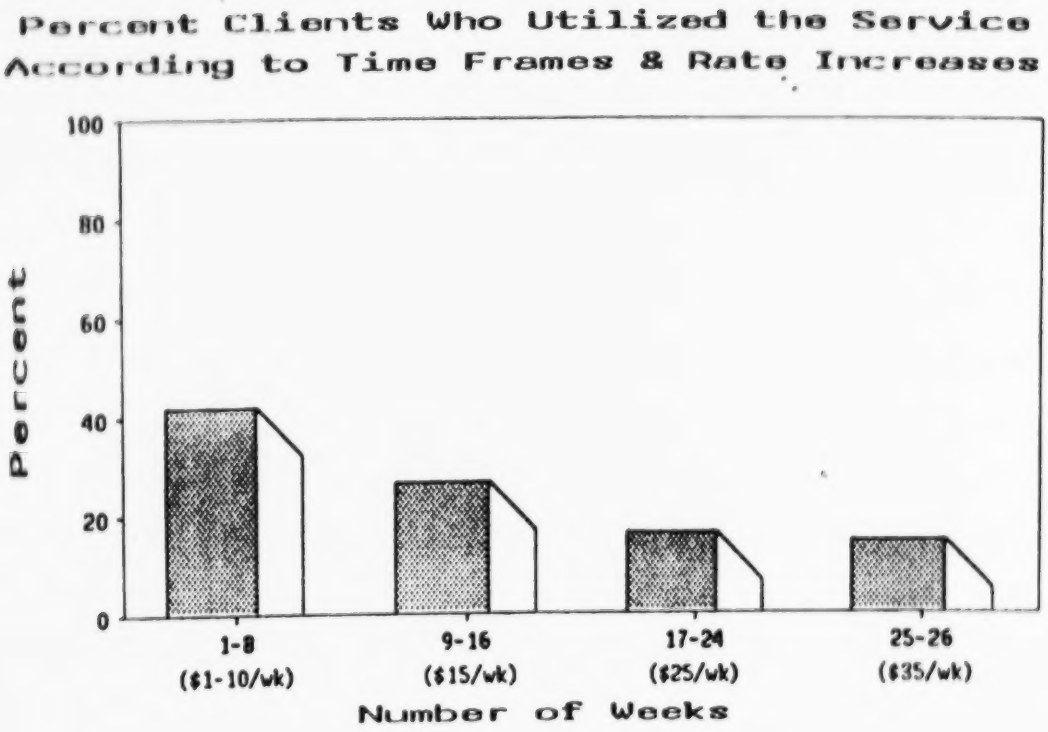
Results from the questionnaires were analyzed as a group and according to the length of time the child care services were utilized. Comparisons were made between the specific time frames associated with increased fees for the child care services.

RESULTS

A total of 195 surveys were analyzed. Of the 195, 82 (42%) used child care for only 8 weeks, 52 (26.7%) for 9 to 16 weeks, 32 (16.4%) for 17 to 24 weeks, and 29 (14.9%) 25 to 26 weeks. Graph 1 shows the number of

clients who utilized the service according to the time frames and rate increases. The largest loss in the program occurred during the first time frame when there was no increase in child care costs.

GRAPH 1



Basic Demographics

Age. Approximately 38% of the clients were ages 16 to 21 and 61% were from 22 to 44 years. Age seemed to make no difference in the length of time a client used the program.

Race. Most of the clients were black (67.7%). Race was not associated with length of time on the program.

Type of Household. Of those households included in the survey, 27 (13.8%) were couple-headed, 6 (3%) male-headed, 133 (68.2%) female-headed, and 2 (1%) other. Of those remaining on the program at 26 weeks, 20.7% were married. Only 9.8% of the group dropping out of the program after 8 weeks were married.

Size of the Family. When comparing size of the family with the length of time on the program, there were no differences. The average size was approximately 3 members for all groups.

Number of Children. Those who were most successful and stayed on the program the longest (25 to 26 weeks) tended to have fewer children. Approximately 76% of this group had only one child compared to 48% for the group utilizing the services for only 8 weeks, 56% for the 9 to 16 weeks group and 47% for the 17 to 24 weeks group. None of the clients for the 25 to 26 weeks group had three or more children compared to 18% for the 8 weeks group. The data suggests that the more children a client has, the less successful they are in maintaining licensed child care.

Ages of the Children. Interestingly the most successful group tended to have younger children. Sixty-four percent of the children represented in the 25 to 26 weeks group were under 2 years of age. This compares to

44.9% for 8 weeks, 33.7% for 9 to 16 weeks, and 27.4% for the 17 to 24 weeks group.

Place of Residence. Most of the clients lived in the following areas of Jefferson County: the inner city, Taylor Boulevard, Iroquois, Buechel, and Okolona communities. There were no differences in the groups according to place of residence.

Work Schedules

Those staying on the program worked more hours per week than those dropping out of the program. Table 1 shows that the percent of clients working greater than 30 hours went up according to the length of time on the program. Thus the success of clients with children tends to be affected by the number of hours they are able to work per week.

TABLE 1

Groups	# and % working less than 30 hours/week	# and % working greater than 30 hours/week
1 - 8 weeks	30 (45.3)	36 (54.7)
9 - 16 weeks	13 (24.9)	39 (74.9)
17 - 24 weeks	6 (19.2)	25 (80.8)
25 - 26 weeks	3 (10.3)	26 (89.6)
	52	126

Wages Earned

The more successful clients (those utilizing the program for longer periods) had higher wages than those dropping out of the program after

eight weeks. Table 2 compares the groups according to those who earned less than and greater than $4.00 per hour. Only 40.9% of those dropping out of the program earned greater than $4.00 per hour while 72.4% of those remaining at 26 weeks earned over $4.00 per hour.

TABLE 2

Groups	# and % earning less than $4.00/hour	# and % earning greater than $4.00/hour
1 - 8 weeks	39 (59.0)	27 (40.9)
9 - 16 weeks	18 (34.6)	34 (65.4)
17 - 24 weeks	8 (25.0)	24 (75.0)
25 - 26 weeks	8 (27.6)	21 (72.4)
	73	106

Length of Training Program

Approximately one-half of all clients, regardless of the length of time using the child care assistance, participated in training programs of less than 4 weeks. However, 27.6% of those still utilizing child care at the end of 26 weeks attended training programs lasting greater than 12 weeks. This compares to only 3.6% of those dropping out after the first 8 weeks. Therefore, the relationship between length of training programs and ultimate success for PIC participants with children warrants closer examination.

AFDC Status at Intake

Approximately 60% of those dropping out of the child care assistance program after 8 weeks were receiving AFDC when entering the PIC training programs. This compares to only 41% of those staying on the job and using the service for 26 weeks. This relationship also warrants further investigation and has relevance to Welfare Reform programs.

Reason for Quitting the Child Care Assistance Program

Of the 82 clients who dropped from the program after the first eight weeks, 40% reported they did so because they had lost or quit their jobs, and 17% indicated the reason was the cost of child care was too high. Of the 52 stopping the assistance between 9 and 16 weeks, approximately 33% had quit or lost their jobs, but 24% indicated the cost of child care was too great. For the 17 to 24 weeks group, only 3% had lost or quit their job, but 29% reported they dropped the program because the cost of child care was too high.

Of the 29 clients remaining on the job and using the child care assistance at the end of the 26 weeks, 15 (51.7%) indicated they would continue to pay for the child care themselves. Nine (31%) said they would find a relative or friend to care for their children and 3 (10.3%) said they would have to quit their job.

These figures indicate the cost of child care becomes more of a factor for dropping from the program as the parent fees are increased. It is interesting that most all of the clients in the 25 to 26 weeks group planned to continue to work. This suggests a sense of success and stability had been established.

Satisfaction with the Child Care Assistance Program

Most all clients, regardless of the length of time of time on the program, were satisfied and rated the program as excellent or good. The most frequent comments concerning the program's benefits to the family were that it provided reliable child care arrangements and was good for the children. Most all participants, regardless of the group, indicated that the child care assistance allowed their family to buy basic necessities and ranked it as "extremely important".

DISCUSSION AND RECOMMENDATIONS

The transitional child care financial assistance for PIC participants warrants continued funding and study. The data above indicate there were both "early quitters" and "successful clients" with regard to the program. More study is needed to document and clarify the differences in the clients. Future studies should also incorporate a control group to examine the relationship between the transitional child care financial assistance and ultimate success on the job and self-sufficiency.

The "Early Quitters"

Because such a large percent of the clients (42%) dropped the program after only 8 weeks and before any increases in child care costs, there must be other factors involved. For example, when PIC participants leave their training programs and begin actual jobs, they lose their medical cards, some amounts of food stamps and portions of their housing allowances. It is likely that such individuals decide very quickly that working is simply

not worth the cuts in other benefits. In addition most of the "early quitters (60%) were AFDC recipients when entering the PIC training program.

Conclusions Based on the "Early Quitters"

This study further documents the need to reform current practices regarding welfare recipients. It also clearly indicates a need to provide careful and more intense case management services to PIC clients who receive AFDC.

The "Successful Client"

The most successful clients (those staying on the job and utilizing the child care services for 26 weeks) were generally not AFDC recipients at the start of their training programs. They tended to have fewer children, longer work schedules (and therefore increased pay), and higher hourly wages. There appeared to be a relationship between the length of training programs and the successful clients. Those still on the job at the end of the 26 weeks of child care assistance planned to remain on the job even without further subsidy. As the costs of child care increased the participants were more likely to report they dropped from the program because of those increases.

Conclusions Based on the "Successful Client"

PIC participants with children should be carefully counseled concerning work schedules and hourly wages. Clients must be told their chances of success depend on such factors. Further, they should be encouraged to accept employment positions which allow adequate hours and compensation to support their families.

PIC should thoroughly examine the relationship between successfully maintaining a job and length of training programs for clients with

children. If indeed this relationship is upheld, funding for shorter programs should be carefully scrutinized.

Specific Recommendations

The following recommendations are made concerning the 4-C/PIC transitional child care assistance program.

1. The program should continue with policies that allow as much assistance as possible for families, regardless of size.

2. Future studies should incorporate a control group and examine the relationship between the assistance and ultimate self-sufficiency.

3. PIC participants receiving AFDC should receive intense case management services to help enhance success rates.

4. PIC participants with children should receive careful counseling concerning wages and work schedules prior to accepting their first position after a training program.

5. The relationship between length of training programs and ultimate self-sufficiency warrants further examination.

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